

By: Senator(s) Jackson (11th), Thomas

To: Finance

SENATE BILL NO. 2910

1 AN ACT TO CREATE THE MISSISSIPPI AFFORDABLE HOUSING TRUST
 2 FUND; TO PROVIDE THAT THE TRUST FUND SHALL BE ADMINISTERED BY THE
 3 MISSISSIPPI HOME CORPORATION; TO PROVIDE THAT MONEY IN THE TRUST
 4 FUND SHALL BE MADE AVAILABLE TO ASSIST THE DEVELOPMENT,
 5 REHABILITATION AND PRESERVATION OF AFFORDABLE HOUSING AND FOR
 6 OTHER PURPOSES CONSISTENT WITH THIS ACT; TO PROVIDE THE INCOME
 7 LEVELS OF PERSON FOR WHOM THE TRUST FUND SHALL BE UTILIZED TO
 8 BENEFIT; TO PROVIDE THAT AT LEAST 50% OF THE FUNDS IN THE TRUST
 9 FUND EXPENDED IN ANY FISCAL YEAR SHALL BE USED FOR THE PURPOSE OF
 10 RENTAL HOUSING DEVELOPMENT OR REHABILITATION; TO PROVIDE THAT A
 11 PORTION OF THE MONEY IN THE TRUST FUND MAY BE USED TO MAKE
 12 CAPACITY BUILDING GRANTS TO CERTAIN ENTITIES; TO AUTHORIZE LOCAL
 13 GOVERNMENTS TO CREATE OR PARTICIPATE IN LOCAL HOUSING TRUST FUNDS
 14 OR OTHERWISE PROVIDE FUNDING OR SUPPORT FOR THE PURPOSE OF
 15 SUPPORTING AFFORDABLE HOUSING; AND FOR RELATED PURPOSES.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

17 **SECTION 1.** The Legislature hereby finds and declares that
 18 there exists in this state a need to assist low and moderate
 19 income individuals and families in accessing affordable housing
 20 and to provide for the development, rehabilitation and
 21 preservation of decent, safe and affordable housing for low and
 22 moderate income individuals and families and to address
 23 homelessness. To address these needs, the purposes of this act
 24 shall be the following:

25 (a) To fill the growing gap in Mississippi's ability to
 26 build affordable housing by encouraging the dedication of public
 27 and private sources to fund additional housing activities.

28 (b) To develop rental housing for individuals and
 29 families with the greatest economic need, in mixed-income settings
 30 and in areas with the greatest economic opportunities.

31 (c) To promote home ownership for low and moderate
 32 income individuals and families, to address homelessness and the

33 prevention of homelessness, and to produce, rehabilitate and
34 preserve affordable dwellings.

35 **SECTION 2.** There is hereby created the Mississippi
36 Affordable Housing Trust Fund, hereafter referred to as the "trust
37 fund" to be held as a separate fund within the State Treasury to
38 be administered by the Mississippi Home Corporation, hereinafter
39 referred to as the "trust administrator." Interest earned on
40 investment of monies in the trust fund shall be credited to the
41 trust fund. Unexpended and unencumbered amounts in the trust fund
42 at the end of each fiscal year shall not lapse. Money in the
43 trust fund shall be made available for assisting the development,
44 rehabilitation and preservation of affordable housing and for
45 other purposes consistent with this act.

46 **SECTION 3.** (1) The trust administrator may use money from
47 the trust fund to provide loans or grants for the following
48 activities, without limitation:

49 (a) Housing production, including, without limitation,
50 new construction, rehabilitation and adaptive re-use.

51 (b) Acquisition, including, without limitation, land,
52 single-family homes, multi-unit buildings, and other existing
53 structures that may be used in whole or in part for residential
54 use.

55 (c) Rental payment assistance.

56 (d) Home ownership purchase assistance.

57 (e) Preservation of existing affordable housing.

58 (f) Emergency repairs.

59 (g) Housing related support services, including
60 homeownership education and financial counseling.

61 (h) Grants or loans to not-for-profit organizations
62 engaged in addressing the affordable housing needs of low and
63 moderate income households.

64 (2) The trust fund shall be used for the benefit of persons
65 and families whose income, at the time of initial occupancy, does

66 not exceed eighty percent (80%) of median income as determined by
67 the United States Department of Housing and Urban Development for
68 the metropolitan area or county. At least fifty percent (50%) of
69 the funds in the trust fund expended in any given fiscal year must
70 be used for the benefit of persons and families whose income, at
71 the time of initial occupancy, does not exceed fifty percent (50%)
72 of the median family income for the metropolitan area as
73 determined by the United States Department of Housing and Urban
74 Development for the metropolitan area or county.

75 (3) At least fifty percent (50%) of the funds in the trust
76 fund expended in any fiscal year must be used for the purposes of
77 rental housing development or rehabilitation, as described in
78 subsection (1)(a), (b) and (c) of this section.

79 **SECTION 4.** There shall be deposited in the trust fund such
80 amounts as may become available under the provisions of this act,
81 including, but not limited to:

82 (a) All receipts, including dividends, principal and
83 interest repayments attributable to any loans or agreements funded
84 from the trust fund;

85 (b) All proceeds of assets of whatever nature received
86 by the trust administrator, and attributable to default with
87 respect to loans or agreements funded from the trust fund;

88 (c) Any appropriations, grants or gifts of funds or
89 property, or financial or other aid from any federal or state
90 agency, local government or any other public organization or
91 private individual made to the trust fund;

92 (d) Any income received as a result of the investment
93 of monies in the trust fund;

94 (e) All fees or charges collected pursuant to this act;
95 and

96 (f) Other funds may be appropriated by the Legislature.

97 **SECTION 5.** Five percent (5%) of the money credited to the
98 trust fund account may be used to make capacity building grants to

99 nonprofit organizations, local government units, Indian tribes,
100 and Indian tribal organizations to expand their capacity to
101 provide affordable housing and housing related services. The
102 grants may be used to assess housing needs and to develop and
103 implement strategies to meet those needs, including the creation
104 or preservation of affordable housing, pre-purchase and
105 post-purchase counseling and associated administrative costs, and
106 the linking of supportive services to the housing. The trust
107 administrator shall adopt rules specifying the eligible uses of
108 grant money. Funding priority shall be given to those applicants
109 that include low and moderate income persons in their membership,
110 have provided housing related services to low and moderate income
111 people and demonstrate a local commitment of local resources,
112 which may include in-kind contributions.

113 **SECTION 6.** Administrative and personnel costs incurred in
114 implementing this act may be paid from the Housing Fund, but such
115 costs may not exceed five percent (5%) of the monies deposited
116 into the fund.

117 **SECTION 7.** (1) In order to promote the creation,
118 establishment or preservation of affordable housing throughout the
119 State of Mississippi, counties and municipalities may individually
120 or jointly create or participate in a housing trust fund or
121 otherwise provide funding or support for the purpose of supporting
122 affordable housing, including, without limitation, to support the
123 following affordable housing activities:

124 (a) Housing production, including, without limitation,
125 new construction, rehabilitation and adaptive re-use.

126 (b) Acquisition, including, without limitation, land,
127 single-family homes, multi-unit buildings, and other existing
128 structures that may be used in whole or in part for residential
129 use.

130 (c) Rental payment assistance.

131 (d) Home-ownership purchase assistance.

132 (e) Preservation of existing affordable housing.

133 (f) Emergency repairs.

134 (g) Housing related support services, including
135 homeownership education and financial counseling.

136 (h) Grants or loans to not-for-profit organizations
137 engaged in addressing the affordable housing needs of low income
138 or moderate income housing.

139 (2) Counties and municipalities may authorize housing trust
140 funds to accept and utilize funds, property and other resources
141 from all proper and lawful public and private sources so long as
142 those funds are used solely for addressing the affordable housing
143 needs of individuals or households that may occupy low income or
144 moderate income housing.

145 **SECTION 8.** This act shall take effect and be in force from
146 and after July 1, 2006.